

Domestic business to lead growth in Q4

- With no meaningful FDA approvals, US generic sales growth for our pharma coverage to be tepid in Q4; Russia-Ukraine war to hurt ROW/EM sales
- Tailwinds in acute therapies and sustained growth in chronic drugs to boost India formulation sales
- Higher crude and RM prices amid geopolitical tensions to impact gross margin; lifting of lockdown to increase overheads and curtail EBITDA

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India formulations business to remain primary growth driver: We expect 9% YoY revenue growth from pharmaceutical companies under our coverage in Q4FY22. This will largely come from tailwinds in acute therapies, providing benefits to companies such as CIPLA, SUNP, DRRD, ALKEM and ALPM that have acute-heavy portfolios and hence should deliver mid-teen topline growth on average. Chronic therapies have also seen sustained growth in Q4, unlike in Q3.

Weak approvals a drag on US sales: We expect muted US sales growth in the range of 1-3% QoQ CC for our coverage considering the challenging environment in terms of deeper price erosion and lower volumes (especially in the hospital segment) in comparison to pre-Covid levels. While SUNP's specialty sales are likely to improve with better traction in Winlevi, the lack of meaningful USFDA product approvals has led to lacklustre sales growth in US generics for most players.

Geopolitical tensions, costly RM and high base to squeeze earnings: We expect earnings for our coverage universe to decline 23% QoQ given headwinds from the Russia-Ukraine war, higher crude prices (and hence higher prices of benzene-based raw materials), weaker API sales, overhead cost rise post pandemic (marketing, staff, distribution), and lower realisations on Covid drugs. All costs items are experiencing inflation which was absent in both Q3 and the year-ago quarter. While a few players believe the increased marketing costs will largely be offset by online marketing, we are observing a swift return to offline industry practices with the lifting of lockdown measures.

Long-term prospects intact; valuations reasonable post price correction: The pharma index has underperformed benchmark indices following a strong correction since January. While the Nifty Pharma index has beaten the benchmark over the past 24 months (69% vs. 48%), the recent transient headwinds on multiple fronts pose challenges to earnings growth in the medium term, which is being reflected in valuations. In our view, long-term growth prospects for the sector remain intact and we retain our positive view. Based on the recent correction and our EPS estimate revision (Fig 6), our targets for LPC/CIPLA change from Rs 815/Rs 1,160 to Rs 800/Rs 1,200 (ratings remain at HOLD/BUY) while our rating for ALKEM stands upgraded from HOLD to BUY (TP stays at Rs 4,000).

Recommendation snapshot

Ticker	Price	Target	Rating
AJP IN	1,724	2,655	BUY
ALKEM IN	3,420	4,000	BUY
ALPM IN	770	905	BUY
ARBP IN	684	850	BUY
CIPLA IN	1,017	1,200	BUY
DIVI IN	4,499	5,250	BUY
DRRD IN	4,299	4,700	HOLD
ERIS IN	703	890	BUY
LAURUS IN	603	570	HOLD
LPC IN	773	800	HOLD
SUNP IN	937	1,100	BUY

Price & Target in Rupees | Price as of 13 Apr 2022



Fig 1 – US revenue expectations

(US\$ mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22E	QoQ (%)	YoY (%)
AJP	20	20	21	21	24	23	26	22	24	8.9	1.7
ALPM	81	79	79	70	65	50	47	53	46	(12.6)	(28.9)
ALKEM	84	89	85	84	75	82	82	76	81	5.6	8.3
ARBP	415	361	374	431	393	364	400	369	349	(5.5)	(11.2)
CIPLA	119	136	141	141	137	141	142	150	144	(3.7)	5.1
DRRD	251	230	249	237	240	236	255	249	236	(5.3)	(1.8)
LPC	219	160	188	195	205	181	193	210	251	19.1	22.2
SUNP (ex-Taro)	200	164	192	234	222	233	229	257	269	4.4	21.2
TARO	175	118	143	140	148	147	132	139	146	5.0	(1.6)

Source: Company, BOBCAPS Research

Fig 2 – Q4FY22 preview

Companies	Sales (Rs mn)			EBITDA (Rs mn)			PAT (Rs mn)			EBITDA margin (%)		
	Q4FY22E	YoY (%)	QoQ (%)	Q4FY22E	YoY (%)	QoQ (%)	Q4FY22E	YoY (%)	QoQ (%)	Q4FY22E	Q4FY21	Q3FY22
AJP	8,177	8.0	(2.4)	2,260	(12.9)	(5.6)	1,692	6.2	(11.8)	27.6	34.3	28.6
ALPM	12,657	(1.2)	(0.5)	2,561	(25.1)	0.2	1,813	(27.7)	2.8	20.2	26.7	20.1
ALKEM	25,062	14.3	(4.3)	4,556	56.5	(8.6)	3,218	34.1	(38.8)	18.2	13.3	19.0
ARBP	58,768	(2.1)	(2.1)	10,878	(14.7)	7.0	5,857	(25.5)	6.5	18.5	21.2	16.9
CIPLA	53,755	16.7	(1.9)	11,111	39.5	(9.7)	6,535	58.1	(10.3)	20.7	17.3	22.5
DRRD	52,670	11.4	(1.0)	11,769	16.8	(2.1)	4,278	17.5	(39.9)	22.3	21.3	22.6
ERIS	3,035	9.1	(8.6)	1,139	20.5	(6.4)	944	38.3	(6.3)	37.5	34.0	36.6
LPC	41,023	8.4	(1.4)	5,930	(16.2)	60.3	2,653	(42.4)	(51.4)	14.5	18.7	8.9
SUNP	97,422	14.3	(1.2)	26,335	27.9	0.6	17,389	10.2	(16.0)	27.0	24.2	26.5
DIVI	21,283	23.9	(13.7)	8,729	24.8	(20.6)	5,047	4.1	(44.4)	41.0	40.7	44.6
LAURUS	11,118	(21.3)	8.1	3,146	(33.4)	10.3	1,650	(44.4)	7.3	28.3	33.4	27.7

Source: BOBCAPS Research

Fig 3 – Cross-currency movement

Quarter end	Closing rate					Average rate				
	USDINR	EURINR	BRLINR	RUBINR	ZARINR	USDINR	EURINR	BRLINR	RUBINR	ZARINR
Mar-20	75.5	82.3	14.47	0.96	4.22	72.5	79.8	16.31	1.09	4.73
Jun-20	75.5	84.8	13.81	1.06	4.35	75.8	83.6	14.15	1.05	4.23
Sep-20	73.7	86.5	13.15	0.95	4.10	74.4	86.9	13.83	1.01	4.40
Dec-20	73.1	89.7	14.06	0.99	4.97	73.8	88.0	13.68	0.97	4.73
Mar-21	73.1	85.8	12.89	0.97	4.95	72.9	87.9	13.32	0.98	4.88
Jun-21	74.3	88.4	15.00	1.02	5.20	73.7	88.9	13.99	1.00	5.23
Sep-21	74.2	86.1	13.71	1.02	4.89	74.1	87.4	14.18	1.01	5.07
Dec-21	74.3	84.2	13.34	0.99	4.66	75.0	85.7	13.42	1.03	4.86
Mar-22	75.8	84.2	15.94	0.92	5.22	75.2	84.4	14.44	0.88	4.94

Source: Bloomberg, BOBCAPS Research

Company-wise expectations

Fig 4 – Q4FY22 expectations

(Rs mn)	Q4FY22E	Q4FY21	YoY (%)	Q3FY22	QoQ (%)	Commentary
AJP						
Revenue	8,177	7,568	8.0	8,379	(2.4)	<ul style="list-style-type: none"> Expect 8% YoY revenue growth for AJP on the back of growth in the India formulations business (+9% YoY) Gross margin to remain under pressure Higher input cost to strain EBITDA margin (-660bps YoY)
EBITDA	2,260	2,594	(12.9)	2,396	(5.6)	
EBITDAM (%)	27.6	34.3	(663bps)	28.6	(95bps)	
PAT	1,692	1,593	6.2	1,918	(11.8)	
ALKEM						
Revenue	25,062	21,922	14.3	26,190	(4.3)	<ul style="list-style-type: none"> ALKEM's revenue growth momentum to continue given recovery in acute therapies from the previous quarter India and export sales likely to grow in mid-teens, aiding topline growth of 14% YoY EBITDA margin forecast to moderate slightly QoQ but still rise ~500bps YoY on a low base of last year
EBITDA	4,556	2,911	56.5	4,985	(8.6)	
EBITDAM (%)	18.2	13.3	490bps	19.0	(85bps)	
PAT	3,218	2,400	34.1	5,257	(38.8)	
ALPM						
Revenue	12,657	12,804	(1.2)	12,717	(0.5)	<ul style="list-style-type: none"> Expect flattish revenue growth from ALPM with US sales likely to decline YoY to US\$ 45mn-50mn due to the absence of Sartans India formulations projected to report strong growth EBITDA margin likely to be in line with Q3FY22
EBITDA	2,561	3,417	(25.1)	2,557	0.2	
EBITDAM (%)	20.2	26.7	(646bps)	20.1	13bps	
PAT	1,813	2,507	(27.7)	1,764	2.8	
ARBP						
Revenue	58,768	60,015	(2.1)	60,022	(2.1)	<ul style="list-style-type: none"> We forecast a muted quarter (2% YoY revenue decline) for ARBP with margins to remain under pressure YoY Price erosion in the US continues to affect OSD and hospital sales APIs forecast to witness healthy growth
EBITDA	10,878	12,747	(14.7)	10,163	7.0	
EBITDAM (%)	18.5	21.2	(273bps)	16.9	158bps	
PAT	5,857	7,867	(25.5)	5,502	6.5	
CIPLA						
Revenue	53,755	46,065	16.7	54,789	(1.9)	<ul style="list-style-type: none"> Expect strong India sales growth for CIPLA; US and SA to report high-single-digit growth in Q4 We could see some recovery in API business on a lower Q3 base EBITDA margin to witness input cost pressure and decline 180bps QoQ PAT to report strong growth YoY on a low base
EBITDA	11,111	7,962	39.5	12,310	(9.7)	
EBITDAM (%)	20.7	17.3	338bps	22.5	(180bps)	
PAT	6,535	4,134	58.1	7,286	(10.3)	
DIVI						
Revenue	21,283	17,184	23.9	24,668	(13.7)	<ul style="list-style-type: none"> DIVI to see continued mid-teens sales growth YoY but higher RM cost may impact EBITDA margin Expect Molnupiravir-led exceptional growth in Q3 to taper off a bit; QoQ revenue/EBITDA estimated to decline 14%/21%
EBITDA	8,729	6,994	24.8	10,999	(20.6)	
EBITDAM (%)	41.0	40.7	32bps	44.6	(357bps)	
PAT	5,047	4,847	4.1	9,072	(44.4)	
DRRD						
Revenue	52,670	47,284	11.4	53,197	(1.0)	<ul style="list-style-type: none"> DRRD projected to report revenue growth of 11% YoY, with impact on sales in Russia and CIS regions to be monitored Ramp-up in key complex products in the US to offset price erosion in the base business India likely to report strong growth YoY on a low base
EBITDA	11,769	10,080	16.8	12,018	(2.1)	
EBITDAM (%)	22.3	21.3	103bps	22.6	(25bps)	
PAT	4,278	3,639	17.5	7,112	(39.9)	
ERIS						
Revenue	3,035	2,782	9.1	3,322	(8.6)	<ul style="list-style-type: none"> Expect a weak Q4 for ERIS given its declining VMN sales in the absence of Covid-triggered buying and competition in the cardiometabolic segment Sales forecast to decline 9% QoQ; EBITDA and PAT to dip 6% each
EBITDA	1,139	945	20.5	1,217	(6.4)	
EBITDAM (%)	37.5	34.0	356bps	36.6	89bps	
PAT	944	682	38.3	1,008	(6.3)	

(Rs mn)	Q4FY22E	Q4FY21	YoY (%)	Q3FY22	QoQ (%)	Commentary
LAURUS						
Revenue	11,118	14,119	(21.3)	10,288	8.1	
EBITDA	3,146	4,722	(33.4)	2,853	10.3	<ul style="list-style-type: none"> LAURUS remains in consolidation phase as its capex cycle is in full swing Absence of Covid-boosted sales likely to remain a drag on valuation
EBITDAM (%)	28.3	33.4	(514bps)	27.7	57bps	
PAT	1,650	2,969	(44.4)	1,538	7.3	
LPC						
Revenue	41,023	37,831	8.4	41,609	(1.4)	
EBITDA	5,930	7,076	(16.2)	3,698	60.3	<ul style="list-style-type: none"> LPC continues to witness tepid growth in the US India sales forecast to grow in the mid-teens but overhead costs to weigh on valuation
EBITDAM (%)	14.5	18.7	(425bps)	8.9	557bps	
PAT	2,653	4,604	(42.4)	5,455	(51.4)	
SUNP						
Revenue	97,422	85,230	14.3	98,631	(1.2)	
EBITDA	26,335	20,592	27.9	26,169	0.6	<ul style="list-style-type: none"> Specialty sales growth and better EBITDA margin to boost SUNP's PAT growth India sales growth forecast at 10-12% YoY; US launch of Winlevi to drive growth in US formulations business Specialty product Rx count remained healthy Expect double-digit growth across segments
EBITDAM (%)	27.0	24.2	287bps	26.5	50bps	
PAT	17,389	15,777	10.2	20,694	(16.0)	

Source: BOBCAPS Research

Fig 5 – Earnings estimates

(Rs mn)	Revenue			EBITDA			PAT		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
AJP	32,884	37,320	42,357	9,487	11,442	12,986	7,307	8,308	9,501
ALKEM	1,06,801	1,19,996	1,33,436	20,612	24,059	27,291	17,497	18,986	21,453
ALPM	51,567	55,835	61,676	10,058	12,313	16,180	6,695	7,918	10,321
ARBP	2,35,227	2,60,735	2,89,085	45,533	54,505	63,668	27,354	33,531	40,066
CIPLA	2,18,785	2,37,826	2,62,516	49,142	54,604	59,642	29,628	32,616	37,854
DIVI	85,131	98,005	1,13,039	36,429	42,918	50,067	25,510	30,424	35,863
DRRD	2,12,693	2,46,430	2,61,172	46,169	58,056	61,534	27,018	34,557	36,115
ERIS	13,446	14,901	16,720	5,020	5,436	6,340	4,202	4,519	5,262
LAURUS	46,228	53,952	62,330	13,406	15,646	18,699	7,646	8,905	10,767
LPC	1,66,248	1,68,439	1,80,999	24,787	27,568	30,844	12,959	13,658	15,845
SUNP	3,89,499	4,33,903	4,77,106	1,09,313	1,21,742	1,36,122	79,149	95,118	1,08,013

Source: BOBCAPS Research

Fig 6 – Revised estimates

Company	Revenue (Rs mn)						EBITDA (Rs mn)						PAT(Rs mn)					
	FY23E			FY24E			FY23E			FY24E			FY23E			FY24E		
	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ
AJP	37,320	37,456	(0.4)	42,357	42,406	(0.1)	11,442	11,834.0	(3.3)	12,986	13,187	(1.5)	8,308	8,852	(6.1)	9,501	9,970	(4.7)
ALKEM	1,19,996	1,19,218	0.7	1,33,436	1,32,603	0.6	24,059	24,380	(1.3)	27,291	27,915	(2.2)	18,986	19,622	(3.2)	21,453	22,439	(4.4)
ALPM	55,835	55,581	0.5	61,676	61,647	0.0	12,313	12,323	(0.1)	16,180	16,234	(0.3)	7,918	7,926	(0.1)	10,321	10,363	(0.4)
ARBP	2,60,735	2,64,197	(1.3)	2,89,085	2,93,199	(1.4)	54,505	55,779	(2.3)	63,668	65,220	(2.4)	33,531	34,726	(3.4)	40,066	41,364	(3.1)
CIPLA	2,37,826	2,34,785	1.3	2,62,516	2,58,411	1.6	54,604	50,362	8.4	59,642	56,938	4.7	32,616	29,768	9.6	37,854	35,998	5.2
DIVI	98,005	99,475	(1.5)	1,13,039	1,14,735	(1.5)	42,918	43,562	(1.5)	50,067	50,818	(1.5)	30,424	30,900	(1.5)	35,863	36,427	(1.5)
DRRD	2,46,430	2,49,847	(1.4)	2,61,172	2,64,760	(1.4)	58,056	58,781	(1.2)	61,534	62,310	(1.2)	34,557	35,161	(1.7)	36,115	36,751	(1.7)
ERIS	14,901	14,901	0.0	16,720	16,720	0.0	5,436	5,436	0.0	6,340	6,340	0.0	4,519	4,448	1.6	5,262	5,253	0.2
LAURUS	53,952	54,392	(0.8)	62,330	62,748	(0.7)	15,646	15,774	(0.8)	18,699	18,824	(0.7)	8,905	9,000	(1.1)	10,767	10,861	(0.9)
LPC	1,68,439	1,72,749	(2.5)	1,80,999	1,97,792	(8.5)	27,568	28,133	(2.0)	30,844	33,470	(7.8)	13,658	14,062	(2.9)	15,845	17,625	(10.1)
SUNP	4,33,903	4,28,780	1.2	4,77,106	4,70,485	1.4	1,21,742	1,15,695	5.2	1,36,122	1,29,095	5.4	95,118	90,409	5.2	1,08,013	1,02,358	5.5

Source: BOBCAPS Research

Fig 7 – Valuation snapshot

Companies	Price	Mcap	Rating	EBITDA CAGR (%) (FY21-FY24E)	P/E (x)		EV/EBITDA (x)		ROE (%)	
	(13-Apr-22)	(Rs mn)			FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
ARBP	682	400	BUY	6.1%	11.9	10.0	6.9	5.9	87.3	89.4
CIPLA	1,017	820	BUY	12.7%	25.1	21.7	14.5	13.3	14.7	15.0
DRRD	4,302	716	HOLD	10.1%	20.7	19.8	12.2	11.5	17.0	15.4
LPC	775	351	HOLD	6.3%	25.7	22.1	12.7	11.4	11.0	11.9
SUNP	937	2,247	BUY	16.9%	23.6	20.8	16.9	15.1	16.9	16.8
DIVI	4,499	1,195	BUY	17.1%	39.3	33.3	27.3	23.4	25.9	25.9
LAURUS	603	323	HOLD	6.6%	36.3	30.0	21.3	17.9	24.4	23.7
ALKEM	3,420	409	BUY	5.7%	21.5	19.1	16.2	14.3	22.8	21.7
ALPM	770	151	BUY	2.1%	19.1	14.7	9.9	8.8	13.4	15.6
AJP	1,728	150	BUY	8.5%	18.1	16.0	12.6	11.1	21.0	20.4
ERIS	700	95	BUY	14.5%	21.0	18.1	15.7	13.4	23.6	23.3

Source: BOBCAPS Research

Fig 8 – Rating and Target price change

Company	Rating		Target Price	
	New	Old	New	Old
AJP	BUY	BUY	2,655	2,655
ALKEM	BUY	HOLD	4,000	4,000
ALPM	BUY	BUY	905	905
ARBP	BUY	BUY	850	850
CIPLA	BUY	BUY	1,200	1,160
DIVI	BUY	BUY	5,250	5,250
DRRD	HOLD	HOLD	4,700	4,700
ERIS	BUY	BUY	890	890
LAURUS	HOLD	HOLD	570	570
LPC	HOLD	HOLD	800	815
SUNP	BUY	BUY	1,100	1,045

Source: BOBCAPS Research

Stock performance

Fig 9 – AJP

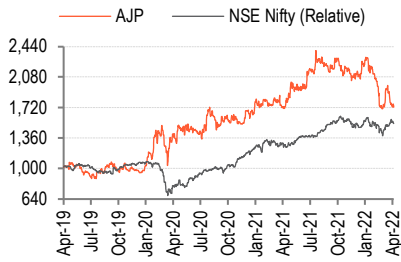


Fig 10 – ALKEM

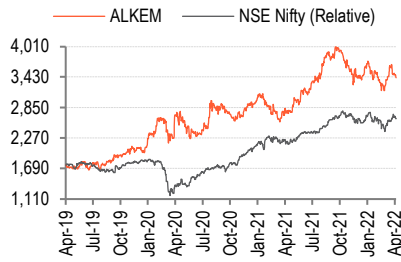


Fig 11 – ALPM

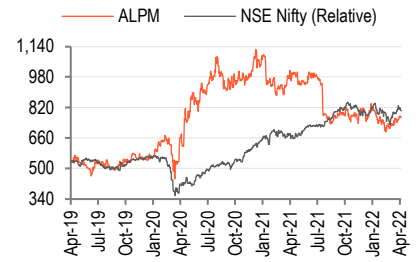


Fig 12 – ARBP

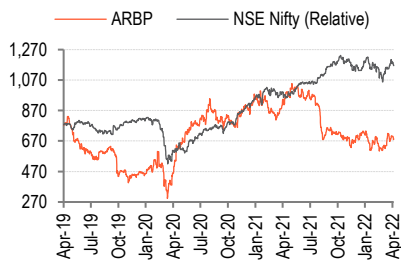


Fig 13 – CIPLA

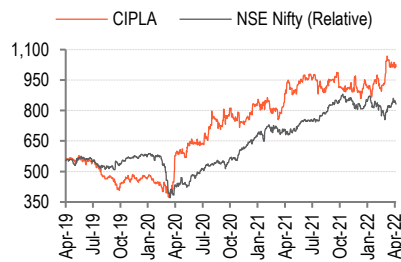


Fig 14 – DIVI

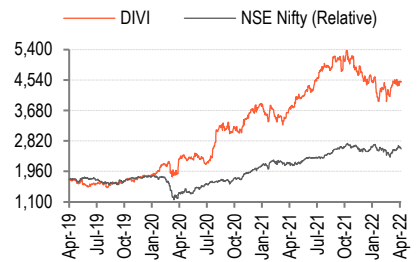


Fig 15 – DRRD

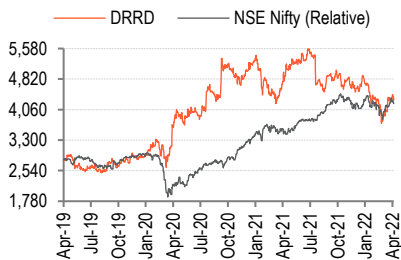


Fig 16 – ERIS

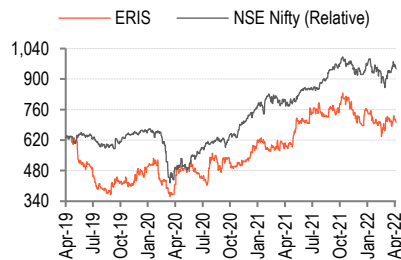


Fig 17 – LAURUS

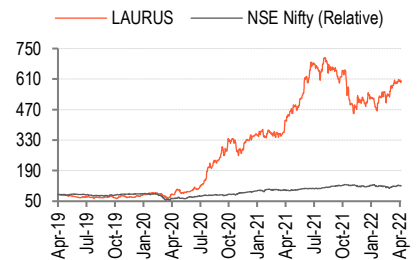


Fig 18 – LPC

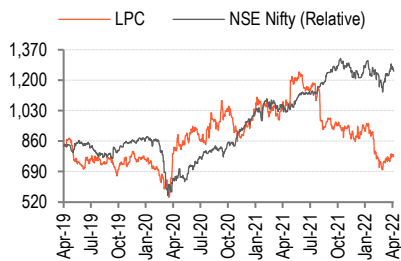
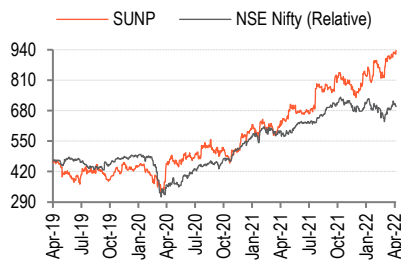


Fig 19 – SUNP



Source: NSE

Financials – AJP

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	25,878	28,872	32,884	37,320	42,357
EBITDA	6,833	10,166	9,487	11,442	12,986
Depreciation	957	1,161	1,262	1,303	1,386
EBIT	5,876	9,006	8,225	10,139	11,601
Net interest inc./(exp.)	(119)	(83)	(40)	(12)	(12)
Other inc./(exp.)	921	251	1,183	525	912
Exceptional items	0	0	0	0	0
EBT	6,678	9,174	9,368	10,652	12,501
Income taxes	1,962	2,463	2,061	2,343	3,000
Extraordinary items	39	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	4,756	6,711	7,307	8,308	9,501
Adjustments	39	0	0	0	0
Adjusted net profit	4,716	6,711	7,307	8,308	9,501

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	3,622	3,739	3,604	4,090	4,642
Other current liabilities	1,831	2,677	1,644	1,866	2,118
Provisions	246	296	338	383	435
Debt funds	436	198	198	198	198
Other liabilities	0	0	0	0	0
Equity capital	175	174	174	174	174
Reserves & surplus	26,398	30,203	36,049	42,695	50,312
Shareholders' fund	26,573	30,377	36,222	42,869	50,486
Total liab. and equities	32,708	37,286	42,006	49,406	57,878
Cash and cash eq.	2,049	2,096	4,712	9,555	15,233
Accounts receivables	7,753	7,384	8,108	9,202	10,444
Inventories	4,956	7,665	6,757	7,669	8,704
Other current assets	1,211	1,891	2,631	2,986	3,389
Investments	794	1,846	1,846	1,846	1,846
Net fixed assets	14,509	15,214	15,952	16,149	16,263
CWIP	1,318	1,082	2,000	2,000	2,000
Intangible assets	117	108	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	32,707	37,286	42,006	49,406	57,878

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	4,414	5,946	6,927	8,017	9,074
Capital expenditures	(3,294)	(1,550)	(2,000)	(1,500)	(1,500)
Change in investments	(18)	(1,051)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(3,313)	(2,601)	(2,000)	(1,500)	(1,500)
Equities issued/Others	0	(2)	0	0	0
Debt raised/repaid	96	(238)	0	0	0
Interest expenses	(119)	(83)	(40)	(12)	(12)
Dividends paid	(943)	(1,342)	(1,461)	(1,662)	(1,884)
Other financing cash flows	910	(1,634)	(810)	0	0
Cash flow from financing	(56)	(3,298)	(2,311)	(1,674)	(1,896)
Chg in cash & cash eq.	1,045	47	2,616	4,843	5,678
Closing cash & cash eq.	2,049	2,096	4,712	9,555	15,233

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	53.3	76.5	83.3	94.7	108.3
Adjusted EPS	53.8	76.5	83.3	94.7	108.3
Dividend per share	10.8	15.4	16.8	19.1	21.7
Book value per share	303.0	346.4	413.0	488.8	575.7

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	5.8	5.2	4.5	3.9	3.4
EV/EBITDA	21.8	14.6	15.6	12.8	11.0
Adjusted P/E	32.1	22.5	20.7	18.2	15.9
P/BV	5.7	5.0	4.2	3.5	3.0

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	70.6	73.2	78.0	78.0	76.0
Interest burden (PBT/EBIT)	113.6	101.9	113.9	105.1	107.8
EBIT margin (EBIT/Revenue)	22.7	31.2	25.0	27.2	27.4
Asset turnover (Rev./Avg TA)	25.8	25.1	24.5	23.5	22.6
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
Adjusted ROAE	19.1	23.6	21.9	21.0	20.4

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	25.9	11.6	13.9	13.5	13.5
EBITDA	20.9	48.8	(6.7)	20.6	13.5
Adjusted EPS	21.9	42.3	8.9	13.7	14.4
Profitability & Return ratios (%)					
EBITDA margin	26.4	35.2	28.8	30.7	30.7
EBIT margin	22.7	31.2	25.0	27.2	27.4
Adjusted profit margin	18.2	23.2	22.2	22.3	22.4
Adjusted ROAE	19.1	23.6	21.9	21.0	20.4
ROCE	27.2	32.1	28.1	26.8	26.7
Working capital days (days)					
Receivables	109	93	90	90	90
Inventory	70	97	75	75	75
Payables	51	47	40	40	40
Ratios (x)					
Gross asset turnover	1.3	1.4	1.4	1.5	1.6
Current ratio	2.8	2.8	4.0	4.6	5.2
Net interest coverage ratio	49.4	108.9	208.0	854.7	978.0
Adjusted debt/equity	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – ALKEM

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24
Total revenue	82,983	92,336	1,06,801	1,19,996	1,33,436
EBITDA	14,275	23,110	20,612	24,059	27,291
Depreciation	2,526	2,746	2,872	3,222	3,572
EBIT	11,749	20,364	17,740	20,837	23,719
Net interest inc./(exp.)	(650)	(589)	(481)	(802)	(802)
Other inc./(exp.)	1,043	2,332	1,394	2,352	3,014
Exceptional items	0	0	0	0	0
EBT	12,142	22,107	18,653	22,387	25,932
Income taxes	1,105	2,243	746	2,910	3,890
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	222	328	409	491	590
Reported net profit	10,815	19,536	17,497	18,986	21,453
Adjustments	0	0	0	0	0
Adjusted net profit	10,815	19,536	17,497	18,986	21,453

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24
Accounts payables	9,541	10,694	14,440	16,224	18,042
Other current liabilities	6,010	7,343	8,433	9,475	10,536
Provisions	4,067	4,874	5,650	6,348	7,060
Debt funds	16,628	16,702	13,362	13,362	13,362
Other liabilities	0	0	0	0	0
Equity capital	239	239	239	239	239
Reserves & surplus	53,363	64,262	77,679	92,237	1,08,687
Shareholders' fund	53,602	64,501	77,918	92,476	1,08,926
Total liab. and equities	89,848	1,04,113	1,19,803	1,37,886	1,57,925
Cash and cash eq.	10,922	19,905	30,275	39,736	51,377
Accounts receivables	16,494	16,072	20,216	22,714	25,258
Inventories	18,188	23,124	22,527	25,310	28,145
Other current assets	9,180	10,072	12,650	14,212	15,804
Investments	2,614	3,328	3,328	3,328	3,328
Net fixed assets	28,821	27,679	29,807	31,585	33,013
CWIP	3,630	3,933	1,000	1,000	1,000
Intangible assets	0	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	89,848	1,04,113	1,19,803	1,37,886	1,57,925

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24
Cash flow from operations	7,566	20,756	20,340	19,690	22,445
Capital expenditures	(4,500)	(4,000)	(5,000)	(5,000)	(5,000)
Change in investments	622	(714)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(3,878)	(4,714)	(5,000)	(5,000)	(5,000)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	7,603	75	(3,340)	0	0
Interest expenses	(650)	(589)	(481)	(802)	(802)
Dividends paid	(2,522)	(4,556)	(4,080)	(4,427)	(5,003)
Other financing cash flows	(3,811)	(1,990)	2,933	0	0
Cash flow from financing	620	(7,060)	(4,969)	(5,229)	(5,804)
Chg in cash & cash eq.	4,308	8,982	10,371	9,461	11,641
Closing cash & cash eq.	10,922	19,905	30,275	39,736	51,377

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24
Reported EPS	90.5	163.4	146.4	158.8	179.4
Adjusted EPS	90.5	163.4	146.4	158.8	179.4
Dividend per share	18.1	32.7	29.3	31.8	35.9
Book value per share	436.0	524.4	636.6	758.4	896.0

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24
EV/Sales	4.9	4.5	3.8	3.3	2.9
EV/EBITDA	28.7	17.8	19.8	16.5	14.1
Adjusted P/E	37.8	20.9	23.4	21.5	19.1
P/BV	7.8	6.5	5.4	4.5	3.8

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24
Tax burden (Net profit/PBT)	89.1	88.4	93.8	84.8	82.7
Interest burden (PBT/EBIT)	103.4	108.6	105.1	107.4	109.3
EBIT margin (EBIT/Revenue)	14.2	22.1	16.6	17.4	17.8
Asset turnover (Rev./Avg TA)	32.4	30.5	31.0	30.4	29.2
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.2	1.2	1.2
Adjusted ROAE	21.8	34.0	25.2	22.8	21.7

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24
YoY growth (%)					
Revenue	12.8	11.3	15.7	12.4	11.2
EBITDA	28.2	61.9	(10.8)	16.7	13.4
Adjusted EPS	48.2	80.6	(10.4)	8.5	13.0
Profitability & Return ratios (%)					
EBITDA margin	17.2	25.0	19.3	20.0	20.5
EBIT margin	14.2	22.1	16.6	17.4	17.8
Adjusted profit margin	13.0	21.2	16.4	15.8	16.1
Adjusted ROAE	21.8	34.0	25.2	22.8	21.7
ROCE	20.0	30.0	22.2	23.5	23.4
Working capital days (days)					
Receivables	73	65	70	70	70
Inventory	81	93	78	78	78
Payables	42	43	50	50	50
Ratios (x)					
Gross asset turnover	2.4	2.4	2.5	2.5	2.5
Current ratio	2.8	3.0	3.0	3.2	3.4
Net interest coverage ratio	18.1	34.6	36.9	26.0	29.6
Adjusted debt/equity	0.1	(0.1)	(0.2)	(0.3)	(0.4)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – ALPM

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	46,060	53,940	51,567	55,835	61,676
EBITDA	12,233	15,584	10,058	12,313	16,180
Depreciation	1,573	1,835	2,213	2,573	2,973
EBIT	10,660	13,750	7,845	9,740	13,207
Net interest inc./(exp.)	(271)	(160)	(150)	(42)	(42)
Other inc./(exp.)	49	100	150	200	239
Exceptional items	0	0	0	0	0
EBT	10,439	13,690	7,845	9,898	13,404
Income taxes	1,992	2,533	1,412	1,980	3,083
Extraordinary items	(437)	0	0	0	0
Min. int./Inc. from assoc.	(281)	(316)	(262)	0	0
Reported net profit	8,291	11,473	6,695	7,918	10,321
Adjustments	(437)	0	0	0	0
Adjusted net profit	8,728	11,473	6,695	7,918	10,321

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	6,259	6,688	9,466	7,649	8,449
Other current liabilities	3,125	6,314	2,578	2,792	3,084
Provisions	1,126	1,375	1,315	1,423	1,572
Debt funds	17,474	1,999	1,999	1,999	1,999
Other liabilities	0	0	0	0	0
Equity capital	377	393	393	393	393
Reserves & surplus	31,519	50,319	55,671	61,624	69,980
Shareholders' fund	31,896	50,712	56,064	62,017	70,373
Total liab. and equities	59,880	67,087	71,422	75,880	85,477
Cash and cash eq.	808	1,058	3,891	6,567	11,153
Accounts receivables	8,647	3,486	9,889	7,649	8,449
Inventories	11,875	14,861	14,128	15,297	16,898
Other current assets	4,401	5,612	5,157	5,584	6,168
Investments	172	2,363	2,363	2,363	2,363
Net fixed assets	15,249	17,035	20,821	23,248	25,275
CWIP	18,460	21,817	14,317	14,317	14,317
Intangible assets	269	856	856	856	856
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	59,880	67,087	71,422	75,880	85,477

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	4,623	18,615	3,055	9,683	11,593
Capital expenditures	(5,703)	(3,466)	(6,000)	(5,000)	(5,000)
Change in investments	311	(2,191)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(5,392)	(5,657)	(6,000)	(5,000)	(5,000)
Equities issued/Others	0	16	0	0	0
Debt raised/repaid	6,190	(15,475)	0	0	0
Interest expenses	(271)	(160)	(150)	(42)	(42)
Dividends paid	(1,131)	(1,376)	(1,572)	(1,966)	(1,966)
Other financing cash flows	(5,267)	4,287	7,500	0	0
Cash flow from financing	(479)	(12,708)	5,778	(2,007)	(2,007)
Chg in cash & cash eq.	(1,248)	251	2,833	2,676	4,585
Closing cash & cash eq.	808	1,058	3,891	6,567	11,153

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	42.2	60.0	35.2	40.3	52.5
Adjusted EPS	44.4	60.0	35.2	40.3	52.5
Dividend per share	6.0	7.0	8.0	10.0	10.0
Book value per share	162.3	258.0	285.2	315.5	358.0

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	3.5	3.0	3.1	2.7	2.4
EV/EBITDA	13.0	10.5	15.9	12.3	9.2
Adjusted P/E	17.3	12.8	21.9	19.1	14.7
P/BV	4.7	3.0	2.7	2.4	2.2

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	83.6	83.8	85.3	80.0	77.0
Interest burden (PBT/EBIT)	97.9	99.6	100.0	101.6	101.5
EBIT margin (EBIT/Revenue)	23.1	25.5	15.2	17.4	21.4
Asset turnover (Rev./Avg TA)	26.2	26.4	23.3	22.9	22.6
Leverage (Avg TA/Avg Equity)	1.5	1.2	1.0	1.0	1.0
Adjusted ROAE	29.4	28.5	13.0	13.4	15.6

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	17.1	17.1	(4.4)	8.3	10.5
EBITDA	40.0	27.4	(35.5)	22.4	31.4
Adjusted EPS	49.3	35.1	(41.3)	14.3	30.3
Profitability & Return ratios (%)					
EBITDA margin	26.6	28.9	19.5	22.1	26.2
EBIT margin	23.1	25.5	15.2	17.4	21.4
Adjusted profit margin	18.9	21.3	13.0	14.2	16.7
Adjusted ROAE	29.4	28.5	13.0	13.4	15.6
ROCE	24.3	27.1	14.4	16.3	19.7
Working capital days (days)					
Receivables	69	24	70	50	50
Inventory	94	101	100	100	100
Payables	50	45	67	50	50
Ratios (x)					
Gross asset turnover	2.3	2.3	1.7	1.6	1.6
Current ratio	2.4	1.7	2.5	3.0	3.3
Net interest coverage ratio	39.3	85.8	52.3	232.0	314.6
Adjusted debt/equity	0.5	0.0	0.0	(0.1)	(0.1)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – ARBP

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	2,30,986	2,47,746	2,35,227	2,60,735	2,89,085
EBITDA	48,247	53,334	45,533	54,505	63,668
Depreciation	9,667	10,554	11,798	13,487	14,745
EBIT	38,580	42,780	33,735	41,018	48,922
Net interest inc./(exp.)	(1,598)	(745)	(545)	(385)	(270)
Other inc./(exp.)	862	3,808	3,281	4,076	4,768
Exceptional items	0	0	0	0	0
EBT	37,844	45,844	36,471	44,708	53,421
Income taxes	8,994	20,098	9,118	11,177	13,355
Extraordinary items	(261)	28,146	850	0	0
Min. int./Inc. from assoc.	137	543	0	0	0
Reported net profit	28,452	53,349	28,204	33,531	40,066
Adjustments	261	(28,146)	(850)	0	0
Adjusted net profit	28,714	25,203	27,354	33,531	40,066

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	25,450	27,947	32,223	35,717	39,601
Other current liabilities	30,745	29,831	28,227	31,288	34,690
Provisions	4,914	3,291	3,124	3,463	3,840
Debt funds	56,867	52,373	41,898	33,519	23,463
Other liabilities	0	0	0	0	0
Equity capital	586	586	586	586	586
Reserves & surplus	1,68,912	2,19,923	2,45,206	2,75,807	3,12,943
Shareholders' fund	1,69,498	2,20,509	2,45,791	2,76,393	3,13,529
Total liab. and equities	2,87,473	3,33,950	3,51,264	3,80,380	4,15,123
Cash and cash eq.	28,422	54,680	67,939	79,469	96,072
Accounts receivables	43,552	35,033	58,001	64,291	71,281
Inventories	76,999	90,266	70,890	78,578	87,122
Other current assets	19,130	23,711	21,170	23,466	26,018
Investments	5,547	5,910	5,910	5,910	5,910
Net fixed assets	64,948	68,866	71,868	73,181	73,235
CWIP	19,859	30,615	30,615	30,615	30,615
Intangible assets	29,017	24,870	24,870	24,870	24,870
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	2,87,474	3,33,950	3,51,264	3,80,380	4,15,123

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	45,455	55,279	41,999	38,025	44,657
Capital expenditures	(17,500)	(14,000)	(14,800)	(14,800)	(14,800)
Change in investments	(1,945)	(363)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(19,445)	(14,363)	(14,800)	(14,800)	(14,800)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(12,800)	(4,494)	(10,475)	(8,380)	(10,056)
Interest expenses	(1,598)	(745)	(545)	(385)	(270)
Dividends paid	(2,930)	(2,930)	(2,930)	(2,930)	(2,930)
Other financing cash flows	144	(6,489)	9	0	0
Cash flow from financing	(17,184)	(14,658)	(13,940)	(11,695)	(13,255)
Chg in cash & cash eq.	8,827	26,258	13,259	11,531	16,602
Closing cash & cash eq.	28,421	54,680	67,939	79,469	96,072

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	48.6	91.1	48.1	57.2	68.4
Adjusted EPS	49.0	43.0	46.7	57.2	68.4
Dividend per share	2.5	2.5	2.5	2.5	2.5
Book value per share	289.6	376.8	420.0	472.3	535.8

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	1.9	1.8	1.8	1.5	1.3
EV/EBITDA	9.2	8.2	9.1	7.1	5.7
Adjusted P/E	14.0	15.9	14.6	11.9	10.0
P/BV	2.4	1.8	1.6	1.4	1.3

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	75.9	55.0	75.0	75.0	75.0
Interest burden (PBT/EBIT)	98.1	107.2	108.1	109.0	109.2
EBIT margin (EBIT/Revenue)	16.7	17.3	14.3	15.7	16.9
Asset turnover (Rev./Avg TA)	26.5	24.8	21.0	21.8	22.3
Leverage (Avg TA/Avg Equity)	1.4	1.3	1.2	1.1	1.1
Adjusted ROAE	18.6	12.9	11.7	12.8	13.6

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	18.1	7.3	(5.1)	10.8	10.9
EBITDA	22.1	10.5	(14.6)	19.7	16.8
Adjusted EPS	19.0	(12.2)	8.5	22.6	19.5
Profitability & Return ratios (%)					
EBITDA margin	20.9	21.5	19.4	20.9	22.0
EBIT margin	16.7	17.3	14.3	15.7	16.9
Adjusted profit margin	12.4	10.2	11.6	12.9	13.9
Adjusted ROAE	18.6	12.9	11.7	12.8	13.6
ROCE	18.1	18.7	13.2	15.1	16.6
Working capital days (days)					
Receivables	69	52	90	90	90
Inventory	122	133	110	110	110
Payables	40	41	50	50	50
Ratios (x)					
Gross asset turnover	1.9	1.8	1.6	1.6	1.6
Current ratio	2.8	3.3	3.4	3.5	3.6
Net interest coverage ratio	24.1	57.4	61.9	106.4	181.3
Adjusted debt/equity	0.2	0.0	(0.1)	(0.2)	(0.2)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – CIPLA

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	1,70,577	1,90,682	2,18,785	2,37,826	2,62,516
EBITDA	31,317	41,611	49,142	54,604	59,642
Depreciation	11,760	10,677	10,368	13,867	14,539
EBIT	19,557	30,934	38,774	40,736	45,102
Net interest inc./(exp.)	(1,972)	(1,607)	(1,078)	(543)	(339)
Other inc./(exp.)	3,442	2,660	2,963	4,182	6,739
Exceptional items	0	0	0	0	0
EBT	21,027	31,987	40,659	44,375	51,501
Income taxes	6,312	8,888	11,181	11,759	13,648
Extraordinary items	0	0	(1,246)	0	0
Min. int./Inc. from assoc.	5	(36)	(150)	0	0
Reported net profit	14,710	23,135	28,382	32,616	37,854
Adjustments	0	0	(1,246)	0	0
Adjusted net profit	14,710	23,135	29,628	32,616	37,854

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	22,818	20,668	29,697	32,329	35,679
Other current liabilities	10,604	14,709	13,008	14,160	15,627
Provisions	10,815	11,945	13,703	14,918	16,464
Debt funds	28,160	15,375	13,369	8,356	5,222
Other liabilities	0	0	0	0	0
Equity capital	1,613	1,613	1,613	1,613	1,613
Reserves & surplus	1,60,215	1,84,062	2,08,261	2,36,845	2,70,666
Shareholders' fund	1,61,827	1,85,675	2,09,874	2,38,458	2,72,279
Total liab. and equities	2,34,224	2,48,372	2,79,652	3,08,221	3,45,272
Cash and cash eq.	10,039	14,012	18,151	46,555	81,536
Accounts receivables	38,910	34,457	44,546	48,493	53,519
Inventories	43,776	46,692	59,395	64,658	71,358
Other current assets	21,715	21,267	30,351	33,040	36,464
Investments	15,953	28,318	28,318	28,318	28,318
Net fixed assets	51,281	49,563	47,195	41,327	34,788
CWIP	8,245	9,689	9,689	9,689	9,689
Intangible assets	44,305	44,375	42,007	36,140	29,600
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	2,34,224	2,48,372	2,79,652	3,08,221	3,45,272

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	33,111	40,491	17,037	40,125	43,946
Capital expenditures	(9,259)	(7,180)	(8,000)	(8,000)	(8,000)
Change in investments	9,586	(12,365)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	327	(19,545)	(8,000)	(8,000)	(8,000)
Equities issued/Others	1	0	0	0	0
Debt raised/repaid	(15,001)	(12,785)	(2,005)	(5,014)	(3,133)
Interest expenses	(1,972)	(1,607)	(1,078)	(543)	(339)
Dividends paid	(2,419)	(4,032)	(4,032)	(4,032)	(4,032)
Other financing cash flows	(10,198)	1,452	2,218	5,867	6,539
Cash flow from financing	(29,589)	(16,972)	(4,898)	(3,721)	(966)
Chg in cash & cash eq.	3,850	3,974	4,139	28,404	34,980
Closing cash & cash eq.	10,038	14,013	18,151	46,555	81,536

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	18.3	28.7	35.2	40.5	47.0
Adjusted EPS	18.3	28.7	36.8	40.5	47.0
Dividend per share	3.0	5.0	5.0	5.0	5.0
Book value per share	197.1	227.1	257.3	292.7	334.7

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	4.9	4.4	3.7	3.3	3.0
EV/EBITDA	26.7	20.0	16.5	14.6	13.0
Adjusted P/E	55.7	35.4	27.6	25.1	21.6
P/BV	5.2	4.5	4.0	3.5	3.0

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	70.0	72.3	72.9	73.5	73.5
Interest burden (PBT/EBIT)	107.5	103.4	104.9	108.9	114.2
EBIT margin (EBIT/Revenue)	11.5	16.2	17.7	17.1	17.2
Asset turnover (Rev./Avg TA)	21.9	24.4	25.8	25.3	25.0
Leverage (Avg TA/Avg Equity)	1.2	1.1	1.1	1.1	1.0
Adjusted ROAE	9.5	13.5	15.2	14.7	15.0

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	8.7	11.8	14.7	8.7	10.4
EBITDA	29.3	32.9	18.1	11.1	9.2
Adjusted EPS	120.3	57.3	28.1	10.1	16.1
Profitability & Return ratios (%)					
EBITDA margin	18.4	21.8	22.5	23.0	22.7
EBIT margin	11.5	16.2	17.7	17.1	17.2
Adjusted profit margin	8.6	12.1	13.5	13.7	14.4
Adjusted ROAE	9.5	13.5	15.2	14.7	15.0
ROCE	11.8	17.2	19.7	19.1	19.8
Working capital days (days)					
Receivables	85	67	75	75	75
Inventory	96	90	100	100	100
Payables	50	40	50	50	50
Ratios (x)					
Gross asset turnover	1.2	1.2	1.4	1.4	1.5
Current ratio	2.6	2.5	2.7	3.1	3.6
Net interest coverage ratio	9.9	19.2	36.0	75.0	132.9
Adjusted debt/equity	0.1	(0.1)	(0.1)	(0.3)	(0.4)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – DIVI

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	55,067	72,261	85,131	98,005	1,13,039
EBITDA	19,344	31,166	36,429	42,918	50,067
Depreciation	1,862	2,556	3,001	3,325	3,649
EBIT	17,481	28,611	33,428	39,593	46,418
Net interest inc./(exp.)	(61)	(8)	(10)	0	0
Other inc./(exp.)	1,896	626	596	972	1,400
Exceptional items	0	0	0	0	0
EBT	19,317	29,229	34,014	40,565	47,818
Income taxes	4,406	6,732	8,503	10,141	11,954
Extraordinary items	821	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	15,732	22,497	25,510	30,424	35,863
Adjustments	(821)	0	0	0	0
Adjusted net profit	14,911	22,497	25,510	30,424	35,863

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	5,907	7,632	7,085	8,157	9,263
Other current liabilities	5,777	6,874	6,874	6,874	6,874
Provisions	230	278	278	278	278
Debt funds	344	43	0	0	0
Other liabilities	0	0	0	0	0
Equity capital	531	531	531	531	531
Reserves & surplus	72,514	92,464	1,07,034	1,26,570	1,49,600
Shareholders' fund	73,045	92,995	1,07,565	1,27,101	1,50,131
Total liab. and equities	85,303	1,07,821	1,21,801	1,42,409	1,66,545
Cash and cash eq.	1,252	21,704	24,299	34,988	48,312
Accounts receivables	14,134	16,765	19,917	22,929	26,446
Inventories	18,639	21,452	27,988	32,221	37,164
Other current assets	4,550	3,753	3,105	3,105	3,105
Investments	9,714	1	1	1	1
Net fixed assets	27,732	36,947	39,292	41,967	44,318
CWIP	9,196	7,106	7,106	7,106	7,106
Intangible assets	87	92	92	92	92
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	85,303	1,07,821	1,21,801	1,42,409	1,66,545

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	15,818	22,070	19,589	27,576	32,158
Capital expenditures	(13,083)	(9,105)	(6,000)	(6,000)	(6,000)
Change in investments	9,742	9,713	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(3,342)	608	(6,000)	(6,000)	(6,000)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(712)	(301)	(43)	0	0
Interest expenses	(61)	(8)	(10)	0	0
Dividends paid	0	0	0	0	0
Other financing cash flows	(12,276)	(1,918)	(10,941)	(10,887)	(12,834)
Cash flow from financing	(13,049)	(2,226)	(10,994)	(10,887)	(12,834)
Chg in cash & cash eq.	(573)	20,452	2,595	10,688	13,324
Closing cash & cash eq.	1,253	21,704	24,299	34,988	48,312

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	59.3	84.7	96.1	114.6	135.1
Adjusted EPS	56.2	84.7	96.1	114.6	135.1
Dividend per share	21.2	30.3	34.4	41.0	48.3
Book value per share	275.1	350.3	405.1	478.7	565.5

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	21.3	16.3	13.8	12.0	10.3
EV/EBITDA	60.7	37.8	32.3	27.3	23.3
Adjusted P/E	80.1	53.1	46.8	39.3	33.3
P/BV	16.4	12.8	11.1	9.4	8.0

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	77.2	77.0	75.0	75.0	75.0
Interest burden (PBT/EBIT)	110.5	102.2	101.8	102.5	103.0
EBIT margin (EBIT/Revenue)	31.7	39.6	39.3	40.4	41.1
Asset turnover (Rev./Avg TA)	16.6	18.7	18.5	18.5	18.3
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.1	1.1	1.1
Adjusted ROAE	20.8	27.1	25.4	25.9	25.9

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	11.3	31.2	17.8	15.1	15.3
EBITDA	3.3	61.1	16.9	17.8	16.7
Adjusted EPS	10.2	50.9	13.4	19.3	17.9
Profitability & Return ratios (%)					
EBITDA margin	35.1	43.1	42.8	43.8	44.3
EBIT margin	31.7	39.6	39.3	40.4	41.1
Adjusted profit margin	27.1	31.1	30.0	31.0	31.7
Adjusted ROAE	20.8	27.1	25.4	25.9	25.9
ROCE	20.0	26.0	24.6	25.2	25.2
Working capital days (days)					
Receivables	85	85	85	85	85
Inventory	121	120	120	120	120
Payables	94	94	94	94	94
Ratios (x)					
Gross asset turnover	1.3	1.4	1.5	1.5	1.6
Current ratio	3.2	4.3	5.3	6.1	7.0
Net interest coverage ratio	288.5	3,783.6	3,342.8		
Adjusted debt/equity	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – DRRD

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	1,74,601	1,89,722	2,12,693	2,46,430	2,61,172
EBITDA	40,942	46,052	46,169	58,056	61,534
Depreciation	12,471	12,796	12,029	12,744	14,653
EBIT	28,471	33,256	34,140	45,311	46,881
Net interest inc./(exp.)	(983)	(970)	(1,818)	(1,909)	(1,969)
Other inc./(exp.)	3,294	3,605	2,766	2,674	3,243
Exceptional items	0	0	0	0	0
EBT	30,782	35,891	35,088	46,077	48,154
Income taxes	(1,466)	9,175	8,070	11,519	12,038
Extraordinary items	(12,739)	(6,903)	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	19,509	19,813	27,018	34,557	36,115
Adjustments	(12,739)	(6,903)	0	0	0
Adjusted net profit	32,248	26,716	27,018	34,557	36,115

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	16,659	21,916	20,395	23,630	25,044
Other current liabilities	32,188	32,740	38,285	41,893	44,399
Provisions	3,854	3,493	3,916	4,537	4,808
Debt funds	22,011	30,299	30,299	30,299	30,299
Other liabilities	0	0	0	0	0
Equity capital	831	832	832	832	832
Reserves & surplus	1,42,174	1,63,832	1,86,690	2,17,087	2,49,042
Shareholders' fund	1,43,005	1,64,664	1,87,522	2,17,919	2,49,874
Total liab. and equities	2,17,717	2,53,112	2,80,416	3,18,278	3,54,425
Cash and cash eq.	2,053	14,829	17,277	24,139	69,637
Accounts receivables	50,278	49,759	58,272	67,515	71,554
Inventories	35,066	45,412	50,697	58,738	53,666
Other current assets	19,557	18,068	25,523	36,964	33,952
Investments	26,778	27,717	29,380	31,143	31,143
Net fixed assets	52,332	57,111	58,082	58,337	55,684
CWIP	0	0	0	0	0
Intangible assets	31,653	40,216	41,187	41,442	38,789
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	2,17,717	2,53,112	2,80,416	3,18,278	3,54,425

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	25,282	30,689	24,059	27,949	60,975
Capital expenditures	(11,917)	(10,000)	(13,000)	(13,000)	(12,000)
Change in investments	(907)	(939)	(1,663)	(1,763)	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(12,824)	(10,939)	(14,663)	(14,763)	(12,000)
Equities issued/Others	1	1	0	0	0
Debt raised/repaid	(16,370)	8,288	0	0	0
Interest expenses	(983)	(970)	(1,818)	(1,909)	(1,969)
Dividends paid	(4,155)	(4,160)	(4,160)	(4,160)	(4,160)
Other financing cash flows	8,874	(10,133)	(971)	(256)	2,653
Cash flow from financing	(12,633)	(6,974)	(6,948)	(6,324)	(3,476)
Chg in cash & cash eq.	(175)	12,776	2,448	6,862	45,499
Closing cash & cash eq.	2,053	14,829	17,277	24,139	69,637

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	117.5	119.4	162.8	208.2	217.6
Adjusted EPS	194.3	160.9	162.8	208.2	217.6
Dividend per share	25.0	25.0	25.0	25.0	25.0
Book value per share	861.5	992.0	1,129.6	1,312.8	1,505.3

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	4.2	3.8	3.3	2.9	2.7
EV/EBITDA	18.0	15.6	15.4	12.2	11.4
Adjusted P/E	22.1	26.7	26.4	20.7	19.8
P/BV	5.0	4.3	3.8	3.3	2.9

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	104.8	74.4	77.0	75.0	75.0
Interest burden (PBT/EBIT)	108.1	107.9	102.8	101.7	102.7
EBIT margin (EBIT/Revenue)	16.3	17.5	16.1	18.4	18.0
Asset turnover (Rev./Avg TA)	25.7	26.4	25.8	26.4	24.7
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.2	1.1	1.1
Adjusted ROAE	23.1	17.4	15.3	17.0	15.4

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	13.5	8.7	12.1	15.9	6.0
EBITDA	30.7	12.5	0.3	25.7	6.0
Adjusted EPS	80.2	(17.4)	1.1	27.9	4.5
Profitability & Return ratios (%)					
EBITDA margin	23.4	24.3	21.7	23.6	23.6
EBIT margin	16.3	17.5	16.1	18.4	18.0
Adjusted profit margin	18.5	14.1	12.7	14.0	13.8
Adjusted ROAE	23.1	17.4	15.3	17.0	15.4
ROCE	18.7	20.5	17.9	20.6	19.0
Working capital days (days)					
Receivables	105	96	100	100	100
Inventory	73	87	87	87	75
Payables	35	42	35	35	35
Ratios (x)					
Gross asset turnover	0.9	0.9	0.9	1.0	1.0
Current ratio	2.0	2.2	2.4	2.7	3.1
Net interest coverage ratio	29.0	34.3	18.8	23.7	23.8
Adjusted debt/equity	0.0	0.1	0.0	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – ERIS

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	10,741	12,119	13,446	14,901	16,720
EBITDA	3,684	4,306	5,020	5,436	6,340
Depreciation	503	430	621	698	755
EBIT	3,181	3,876	4,399	4,737	5,585
Net interest inc./(exp.)	(22)	(18)	(40)	0	0
Other inc./(exp.)	154	87	248	229	262
Exceptional items	0	0	0	0	0
EBT	3,313	3,945	4,607	4,966	5,847
Income taxes	349	394	405	447	585
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	2,965	3,551	4,202	4,519	5,262
Adjustments	0	0	0	0	0
Adjusted net profit	2,965	3,551	4,202	4,519	5,262

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	1,000	1,026	1,087	1,208	1,358
Other current liabilities	490	406	529	588	661
Provisions	562	588	652	725	815
Debt funds	0	68	0	0	0
Other liabilities	0	0	0	0	0
Equity capital	136	136	136	136	136
Reserves & surplus	11,626	14,117	17,369	20,622	24,301
Shareholders' fund	11,761	14,253	17,505	20,758	24,437
Total liab. and equities	13,813	16,341	19,774	23,279	27,271
Cash and cash eq.	673	383	3,311	6,053	10,124
Accounts receivables	1,569	1,405	1,449	1,813	1,584
Inventories	695	945	1,087	1,410	1,448
Other current assets	1,305	2,114	1,733	1,926	2,164
Investments	780	2,940	2,940	2,940	2,940
Net fixed assets	873	779	1,819	2,045	2,258
CWIP	44	16	16	16	16
Intangible assets	7,876	7,760	7,419	7,077	6,736
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	13,814	16,341	19,774	23,279	27,271

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	3,228	3,072	5,306	4,592	6,281
Capital expenditures	(1,309)	(57)	(1,661)	(924)	(968)
Change in investments	2,779	(2,161)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	1,470	(2,218)	(1,661)	(924)	(968)
Equities issued/Others	(2)	0	0	0	0
Debt raised/repaid	(1,764)	68	(68)	0	0
Interest expenses	(22)	(18)	(40)	0	0
Dividends paid	(467)	(871)	(950)	(1,267)	(1,583)
Other financing cash flows	(1,846)	(323)	341	341	341
Cash flow from financing	(4,100)	(1,144)	(716)	(925)	(1,242)
Chg in cash & cash eq.	598	(290)	2,928	2,742	4,071
Closing cash & cash eq.	673	383	3,311	6,053	10,124

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	21.8	26.2	30.9	33.3	38.8
Adjusted EPS	21.8	26.2	30.9	33.3	38.8
Dividend per share	2.9	5.5	6.0	8.0	10.0
Book value per share	86.6	105.0	128.9	152.9	180.0

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	8.9	7.8	7.0	6.2	5.4
EV/EBITDA	26.1	21.8	18.8	17.1	14.2
Adjusted P/E	32.2	26.9	22.7	21.1	18.1
P/BV	8.1	6.7	5.4	4.6	3.9

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	89.5	90.0	91.2	91.0	90.0
Interest burden (PBT/EBIT)	104.2	101.8	104.7	104.8	104.7
EBIT margin (EBIT/Revenue)	29.6	32.0	32.7	31.8	33.4
Asset turnover (Rev./Avg TA)	22.1	23.2	21.1	19.5	18.5
Leverage (Avg TA/Avg Equity)	1.1	1.0	1.0	1.0	1.0
Adjusted ROAE	26.5	27.3	26.5	23.6	23.3

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	9.4	12.8	11.0	10.8	12.2
EBITDA	6.8	16.9	16.6	8.3	16.6
Adjusted EPS	2.0	19.8	18.3	7.6	16.4
Profitability & Return ratios (%)					
EBITDA margin	34.3	35.5	37.3	36.5	37.9
EBIT margin	29.6	32.0	32.7	31.8	33.4
Adjusted profit margin	27.6	29.3	31.3	30.3	31.5
Adjusted ROAE	26.5	27.3	26.5	23.6	23.3
ROCE	27.5	30.4	29.2	26.0	25.9
Working capital days (days)					
Receivables	54	43	40	45	35
Inventory	24	29	30	35	32
Payables	34	31	30	30	30
Ratios (x)					
Gross asset turnover	1.1	1.3	1.2	1.2	1.3
Current ratio	2.1	2.4	3.3	4.4	5.4
Net interest coverage ratio	147.3	215.1	110.0		
Adjusted debt/equity	(0.1)	(0.1)	(0.2)	(0.3)	(0.4)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – LAURUS

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	28,317	48,135	46,228	53,952	62,330
EBITDA	5,658	15,331	13,406	15,646	18,699
Depreciation	1,873	2,051	2,392	2,917	3,538
EBIT	3,785	13,280	11,014	12,729	15,161
Net interest inc./(exp.)	(896)	(682)	(976)	(1,007)	(941)
Other inc./(exp.)	59	237	189	151	136
Exceptional items	0	0	0	0	0
EBT	2,948	12,835	10,227	11,873	14,356
Income taxes	383	3,173	2,557	2,968	3,589
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	2	24	0	0
Reported net profit	2,565	9,660	7,646	8,905	10,767
Adjustments	0	0	0	0	0
Adjusted net profit	2,565	9,660	7,646	8,905	10,767

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	6,156	11,787	9,499	11,086	11,954
Other current liabilities	1,625	3,158	3,236	3,237	4,363
Provisions	568	757	727	848	980
Debt funds	11,456	15,799	14,233	10,949	9,953
Other liabilities	0	0	0	0	0
Equity capital	1,069	1,073	1,073	1,073	1,073
Reserves & surplus	16,623	24,934	31,542	39,441	49,202
Shareholders' fund	17,692	26,007	32,616	40,514	50,275
Total liab. and equities	37,497	57,507	60,310	66,634	77,525
Cash and cash eq.	17	485	932	(2,191)	2,715
Accounts receivables	7,914	13,061	12,032	14,634	16,906
Inventories	9,052	15,754	14,565	17,442	20,150
Other current assets	2,545	2,845	2,311	2,698	3,740
Investments	34	34	34	34	34
Net fixed assets	17,068	19,150	24,258	28,840	28,802
CWIP	672	3,622	3,622	2,622	2,622
Intangible assets	195	2,556	2,556	2,556	2,556
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	37,497	57,507	60,310	66,634	77,525

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	2,474	6,914	10,551	7,667	10,408
Capital expenditures	(2,374)	(7,000)	(7,500)	(7,500)	(3,500)
Change in investments	0	0	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(2,374)	(7,000)	(7,500)	(7,500)	(3,500)
Equities issued/Others	5	4	0	0	0
Debt raised/repaid	388	4,343	(1,566)	(3,285)	(995)
Interest expenses	0	0	0	0	0
Dividends paid	0	(1,006)	(1,006)	(1,006)	(1,006)
Other financing cash flows	(506)	(2,787)	(31)	1,000	0
Cash flow from financing	(113)	554	(2,603)	(3,291)	(2,001)
Chg in cash & cash eq.	(13)	468	448	(3,124)	4,907
Closing cash & cash eq.	17	485	932	(2,191)	2,715

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	4.8	18.0	14.2	16.6	20.1
Adjusted EPS	4.8	18.0	14.2	16.6	20.1
Dividend per share	1.5	1.5	1.5	1.5	1.5
Book value per share	33.0	48.4	60.8	75.5	93.7

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	11.8	7.0	7.3	6.3	5.4
EV/EBITDA	59.1	21.8	25.1	21.6	18.0
Adjusted P/E	126.1	33.5	42.3	36.3	30.0
P/BV	18.3	12.5	9.9	8.0	6.4

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	87.0	75.3	74.8	75.0	75.0
Interest burden (PBT/EBIT)	77.9	96.6	92.9	93.3	94.7
EBIT margin (EBIT/Revenue)	13.4	27.6	23.8	23.6	24.3
Asset turnover (Rev./Avg TA)	25.4	33.9	26.1	27.4	27.9
Leverage (Avg TA/Avg Equity)	1.7	1.6	1.5	1.3	1.2
Adjusted ROAE	15.4	44.2	26.1	24.4	23.7

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	23.6	70.0	(4.0)	16.7	15.5
EBITDA	58.1	171.0	(12.6)	16.7	19.5
Adjusted EPS	168.0	276.6	(20.8)	16.5	20.9
Profitability & Return ratios (%)					
EBITDA margin	20.0	31.9	29.0	29.0	30.0
EBIT margin	13.4	27.6	23.8	23.6	24.3
Adjusted profit margin	9.1	20.1	16.5	16.5	17.3
Adjusted ROAE	15.4	44.2	26.1	24.4	23.7
ROCE	13.8	38.1	25.3	26.2	27.4
Working capital days (days)					
Receivables	102	99	95	99	99
Inventory	117	119	115	118	118
Payables	79	89	75	75	70
Ratios (x)					
Gross asset turnover	1.2	1.6	1.2	1.2	1.3
Current ratio	2.3	2.0	2.2	2.1	2.5
Net interest coverage ratio	4.2	19.5	11.3	12.6	16.1
Adjusted debt/equity	0.6	0.6	0.4	0.3	0.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – LPC

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	1,53,746	1,51,629	1,66,248	1,68,439	1,80,999
EBITDA	23,547	25,668	24,787	27,568	30,844
Depreciation	9,702	8,874	8,269	8,675	9,097
EBIT	13,845	16,794	16,518	18,893	21,746
Net interest inc./(exp.)	(3,630)	(1,406)	(1,337)	(1,296)	(1,285)
Other inc./(exp.)	4,838	1,363	2,078	2,189	2,506
Exceptional items	0	0	0	0	0
EBT	15,053	16,751	17,259	19,786	22,968
Income taxes	11,466	4,485	4,142	5,936	6,890
Extraordinary items	(6,325)	0	(26,198)	0	0
Min. int./Inc. from assoc.	(43)	101	158	192	233
Reported net profit	(2,694)	12,165	(13,239)	13,658	15,845
Adjustments	6,325	0	26,198	0	0
Adjusted net profit	3,631	12,165	12,959	13,658	15,845

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	24,123	20,144	28,567	27,836	29,356
Other current liabilities	45,004	35,585	35,585	35,585	35,585
Provisions	12,040	11,139	8,513	9,077	10,291
Debt funds	42,860	30,656	30,623	30,598	30,577
Other liabilities	0	0	0	0	0
Equity capital	906	907	907	907	907
Reserves & surplus	1,24,906	1,37,673	1,19,545	1,28,113	1,38,052
Shareholders' fund	1,25,812	1,38,580	1,20,452	1,29,020	1,38,960
Total liab. and equities	2,49,839	2,36,104	2,23,740	2,32,116	2,44,768
Cash and cash eq.	24,543	17,425	7,692	15,632	23,016
Accounts receivables	54,459	44,743	50,102	50,762	54,548
Inventories	34,569	40,920	34,160	34,611	37,191
Other current assets	23,746	18,998	19,998	20,998	21,998
Investments	23,743	24,549	24,087	24,087	24,087
Net fixed assets	60,866	59,183	56,914	54,740	52,142
CWIP	9,396	10,663	11,163	11,663	12,163
Intangible assets	18,515	19,624	19,624	19,624	19,624
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	2,49,838	2,36,104	2,23,740	2,32,116	2,44,768

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	50,854	9,988	2,565	21,352	21,595
Capital expenditures	22,714	(3,497)	(6,500)	(7,000)	(7,000)
Change in investments	(1,041)	(806)	462	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	21,673	(4,302)	(6,038)	(7,000)	(7,000)
Equities issued/Others	1	1	0	0	0
Debt raised/repaid	(39,359)	(12,205)	(32)	(26)	(21)
Interest expenses	(3,630)	(1,406)	(1,337)	(1,296)	(1,285)
Dividends paid	(9,077)	(7,844)	(4,889)	(5,090)	(5,905)
Other financing cash flows	(5,790)	8,648	0	0	0
Cash flow from financing	(57,854)	(12,806)	(6,258)	(6,412)	(7,211)
Chg in cash & cash eq.	14,673	(7,120)	(9,732)	7,940	7,384
Closing cash & cash eq.	24,544	17,424	7,692	15,632	23,016

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	(6.0)	26.9	(29.3)	30.2	35.0
Adjusted EPS	8.0	26.9	28.6	30.2	35.0
Dividend per share	6.0	12.1	10.8	11.2	13.1
Book value per share	277.1	305.0	265.0	283.9	305.9

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	2.6	2.5	2.1	2.0	1.9
EV/EBITDA	17.0	14.5	13.8	12.5	11.2
Adjusted P/E	96.3	28.8	27.0	25.6	22.1
P/BV	2.8	2.5	2.9	2.7	2.5

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	24.1	72.6	75.1	69.0	69.0
Interest burden (PBT/EBIT)	108.7	99.7	104.5	104.7	105.6
EBIT margin (EBIT/Revenue)	9.0	11.1	9.9	11.2	12.0
Asset turnover (Rev./Avg TA)	14.5	15.6	18.1	18.5	19.0
Leverage (Avg TA/Avg Equity)	2.0	1.8	1.8	1.8	1.8
Adjusted ROAE	2.8	9.2	10.0	10.9	11.8

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	4.8	(1.4)	9.6	1.3	7.5
EBITDA	(8.0)	9.0	(3.4)	11.2	11.9
Adjusted EPS	(56.7)	235.1	6.5	5.4	16.0
Profitability & Return ratios (%)					
EBITDA margin	15.3	16.9	14.9	16.4	17.0
EBIT margin	9.0	11.1	9.9	11.2	12.0
Adjusted profit margin	2.4	8.0	7.8	8.1	8.8
Adjusted ROAE	2.8	9.2	10.0	10.9	11.8
ROCE	1.2	7.6	9.0	9.0	9.8
Working capital days (days)					
Receivables	126	110	110	110	110
Inventory	87	87	75	75	75
Payables	162	165	160	160	160
Ratios (x)					
Gross asset turnover	1.2	1.2	1.3	1.2	1.3
Current ratio	1.7	1.8	1.5	1.7	1.8
Net interest coverage ratio	3.8	11.9	12.4	14.6	16.9
Adjusted debt/equity	0.0	(0.1)	0.0	(0.1)	(0.1)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – SUNP

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total revenue	3,23,252	3,31,395	3,89,499	4,33,903	4,77,106
EBITDA	73,261	85,247	1,09,313	1,21,742	1,36,122
Depreciation	20,528	20,800	21,248	22,323	23,661
EBIT	52,734	64,447	88,065	99,418	1,12,461
Net interest inc./(exp.)	(3,027)	(1,414)	(1,021)	(511)	(255)
Other inc./(exp.)	6,360	8,355	8,710	16,542	19,605
Exceptional items	0	0	0	0	0
EBT	56,066	71,388	95,753	1,15,450	1,31,811
Income taxes	8,228	5,147	12,396	16,101	19,701
Extraordinary items	(2,606)	(43,061)	(6,381)	0	0
Min. int./Inc. from assoc.	4,219	(6,191)	4,207	4,231	4,097
Reported net profit	41,013	29,372	72,768	95,118	1,08,013
Adjustments	2,606	43,061	6,381	0	0
Adjusted net profit	43,620	72,433	79,149	95,118	1,08,013

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Accounts payables	40,937	39,737	58,904	63,162	66,748
Other current liabilities	29,746	59,604	59,649	59,698	59,752
Provisions	44,812	49,098	53,680	58,721	64,266
Debt funds	75,783	33,430	21,730	10,865	5,432
Other liabilities	0	0	0	0	0
Equity capital	2,399	2,399	2,399	2,399	2,399
Reserves & surplus	4,92,543	4,96,338	5,57,408	6,36,005	7,24,566
Shareholders' fund	4,94,942	4,98,737	5,59,807	6,38,404	7,26,965
Total liab. and equities	6,86,220	6,80,606	7,53,770	8,30,849	9,23,164
Cash and cash eq.	69,438	70,509	1,17,284	1,68,333	2,36,613
Accounts receivables	94,212	90,614	1,13,372	1,26,297	1,38,872
Inventories	78,750	89,970	1,00,250	1,11,678	1,22,798
Other current assets	1,02,583	1,04,305	1,04,305	1,04,305	1,04,305
Investments	1,01,431	97,025	97,025	97,025	97,025
Net fixed assets	1,04,808	93,185	86,537	88,213	88,553
CWIP	12,203	12,203	12,203	12,203	12,203
Intangible assets	1,22,795	1,22,795	1,22,795	1,22,795	1,22,795
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	6,86,220	6,80,606	7,53,770	8,30,849	9,23,164

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash flow from operations	70,753	79,133	85,750	1,02,898	1,17,365
Capital expenditures	(25,524)	(9,177)	(14,600)	(24,000)	(24,000)
Change in investments	(22,407)	4,407	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(47,932)	(4,770)	(14,600)	(24,000)	(24,000)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(23,151)	(42,353)	(11,701)	(10,865)	(5,432)
Interest expenses	(3,027)	(1,414)	(1,021)	(511)	(255)
Dividends paid	(16,624)	(15,595)	(15,782)	(20,629)	(23,426)
Other financing cash flows	16,662	(13,930)	4,128	4,156	4,028
Cash flow from financing	(26,140)	(73,292)	(24,375)	(27,848)	(25,085)
Chg in cash & cash eq.	(3,318)	1,071	46,775	51,049	68,280
Closing cash & cash eq.	69,438	70,509	1,17,284	1,68,333	2,36,613

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22E	FY23E	FY24E
Reported EPS	17.1	12.2	30.3	39.6	45.0
Adjusted EPS	18.2	30.2	33.0	39.6	45.0
Dividend per share	6.9	6.5	6.6	8.6	9.8
Book value per share	190.2	195.3	219.1	250.1	285.4

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22E	FY23E	FY24E
EV/Sales	6.8	6.6	5.5	4.8	4.2
EV/EBITDA	29.8	25.5	19.5	17.1	14.9
Adjusted P/E	51.5	31.0	28.4	23.6	20.8
P/BV	4.9	4.8	4.3	3.7	3.3

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Tax burden (Net profit/PBT)	77.8	101.5	82.7	82.4	81.9
Interest burden (PBT/EBIT)	106.3	110.8	108.7	116.1	117.2
EBIT margin (EBIT/Revenue)	16.3	19.4	22.6	22.9	23.6
Asset turnover (Rev./Avg TA)	12.1	12.1	13.6	13.7	13.6
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.4	1.3	1.3
Adjusted ROAE	9.3	14.6	15.0	15.9	15.8

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
YoY growth (%)					
Revenue	12.7	2.5	17.5	11.4	10.0
EBITDA	20.7	16.4	28.2	11.4	11.8
Adjusted EPS	19.8	66.1	9.3	20.2	13.6
Profitability & Return ratios (%)					
EBITDA margin	22.7	25.7	28.1	28.1	28.5
EBIT margin	16.3	19.4	22.6	22.9	23.6
Adjusted profit margin	13.5	21.9	20.3	21.9	22.6
Adjusted ROAE	9.3	14.6	15.0	15.9	15.8
ROCE	8.2	13.2	14.3	15.4	15.6
Working capital days (days)					
Receivables	106	106	106	106	106
Inventory	94	94	94	94	94
Payables	207	207	207	207	207
Ratios (x)					
Gross asset turnover	1.2	1.2	1.4	1.4	1.4
Current ratio	3.0	2.4	2.5	2.8	3.2
Net interest coverage ratio	17.4	45.6	86.2	194.7	440.5
Adjusted debt/equity	(0.2)	(0.3)	(0.3)	(0.4)	(0.5)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Disclaimer

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

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